



# *Guidelines to Determine Cost and Availability of Biobased Products to Include in USDA Contract Requirements*

***“This guideline is provided for informational purposes only. It is in no way the only method to determine the availability and cost of biobased products. The guidelines may be revised to reflect special needs/requirements of the activity that is preparing the contract specification.*”**

## **What Are Biobased Products?**

Biobased products are commercial or industrial products that are composed in whole, or in significant part, of biological products or renewable domestic agricultural materials or forestry materials. Biobased products can include: (1) adhesives, (2) construction materials and composites, (3) fibers, paper and packaging, (4) fuel additives, (5) landscaping materials, compost and fertilizer, (6) lubricants and functional fluids, (7) plastics, (8) paints and coatings, (9) solvents and cleaners, (10) sorbents, and (11) plant and vegetable inks. A complete list of items to be designated can be found at <http://www.biobased.oce.usda.gov/FSRIA/03-31347.pdf>

## **Why Purchase Biobased Products?**

1. It's mandated. The Farm Security and Rural Investment Act of 2002 (the Farm Bill) requires Federal agencies to establish affirmative procurement preference programs for biobased products and to purchase these products if they are reasonably available, meet performance standards, and are reasonably priced.
2. Biobased products are environmentally benign and beneficial substitutes for fossil energy based products. Increased use of biobased products can:
  - a. reduce the volume of waste in landfills,
  - b. result in safer and healthier workplaces, and
  - c. decrease the U.S. reliance on foreign oil and natural gas.

Federal purchase of biobased products will:

- a. increase domestic demand for biobased products and
- b. increase economic development in Rural America by creating new markets for agricultural products.

## USDA Biobased Procurement Policy

- I. It shall be USDA policy to increase the acquisition and use of biobased products.
- II. For a procurement preference to apply, the products/items must first be designated. Once designated, the products/items must be reasonably available, meet performance standards, and be reasonably priced.
- III. When biobased products can be incorporated into the requirements of a contract, the requiring official shall conduct market research to determine availability and cost of the biobased products.

### Getting Started

First, you should choose product areas that have the greatest potential for including biobased products. USDA has identified the following seven- (7) product/service areas with high potential for the using of Biobased Products:

1. Facilities Operations Support Services
2. Construction
3. Landscaping and Grounds Keeping
4. Maintenance and Repair of Vehicles and Trailers
5. Maintenance, Repair and Alterations
6. Custodial and Janitorial Services
7. Food Services/Cafeteria

Secondly, the requiring official should:

1. Notify the Agency's Deputy Administrator for Management (DAM) that contract requirement has been identified that will include biobased products.

2. Identify those non-biobased items that can be replaced by a biobased product that contains the maximum biobased content practicable.

3. Conduct market research to determine availability and cost of the biobased products. The research should meet the standards set in option (2ii) "Minimum Content Standards" of 7 U.S.C. 8102(g)(3). [It is recommended that Requirements Officials begin their market survey with the Office of Chief Economist's \(OCE\) designated item catalog at http://www.biobased.oce.usda/Catalog/catalog1.cfm.](http://www.biobased.oce.usda/Catalog/catalog1.cfm)

4. Provide General Information and Points of Contact:

Procurement Activity/Office/Location:
Requirements Official Name, E-mail and Phone:
Contracting Officer Name, E-mail and Phone:
Project/Requirement Name:
Requisition/Solicitation No.:

### Determining Cost and Availability

**Step 1.** Market research indicates biobased products can be included in this requirement

\_\_\_\_\_ Yes (**Proceed to Step 2**)

\_\_\_\_\_ No (Briefly explain in the space below the steps taken to identify biobased products and reasons none were identified.)  
(**Proceed to Step 7**)

Basis for not including Biobased products in the requirement:

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**Step 2.** Enter the Independent Government Cost Estimate (IGCE) for the total requirement developed using established agency/office procedures here: \$\_\_\_\_\_

**Step 3.** Identify the biobased products that could be substituted for other materials/products routinely included in this requirement, below. (Attach additional sheets as needed):

Biobased Product	Quantity Required/Unit Issue (ea, feet, lot, etc.)	Product Cost
	Total Cost:	

**Proceed to Step 4.**

**Step 4.** Divide the Total Cost for all biobased items to be required from Step 3 by the IGCE from Step 2. Enter the number, as a percentage, here: \_\_\_\_\_. **Proceed to Step 5.**

**Step 5.** If the percentage increase calculated in Step 4 is reasonable, include these products in the contract requirements. **Proceed to Step 7, Report Submission Requirements.**

If the percentage increase calculated in Step 4 is not reasonable **Proceed to Step 6.**

**Step 6.** When the percentage increase exceeds a reasonable limit the requirements officials may reduce the amount of biobased product to be acquired, beginning with the items that offer the least biobased content, to bring the percentage increase to a reasonable level. **Proceed to Step 7.**

### Document Submission Requirements:

**Step 7.** This document shall be signed and dated by both the Requirements Official and the Contracting Officer (see Step 8, below), and submitted through the organization's HCAD to the Office of the Senior Procurement Executive, on or before the date of solicitation release.

The document should be sent by fax. A copy of the document will also be included by the Contracting Officer in the official contract file for audit and review purposes. **Proceed to Step 8.**

### Signatures:

**Step 8.** The Requirements Official and Contracting Officer shall sign and date this report below:

Requirements Official's Signature:	Date:
Contracting Officer's Signature:	Date

## Notification

Although these guidelines are designed to be used when purchasing designated biobased items they are also to be used when purchasing biobased products that have not yet been designated.

Consistent with agency needs and applicable federal procurement law, the acquisition of biobased products may begin in advance of the actual designation of items.

For a procurement preference to apply, the products/items must first be designated. Once designated, the products/items must be reasonably available, meet performance standards, and be reasonably priced. *This will also be the case for biobased products that are not yet designated.*

*Additionally, once an item has been designated all biobased products purchased prior to designation must now meet the requirements of the designated item. The purchase of products that do not meet the requirements of the designated item will no longer be permitted.*

**For questions regarding these guidelines  
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